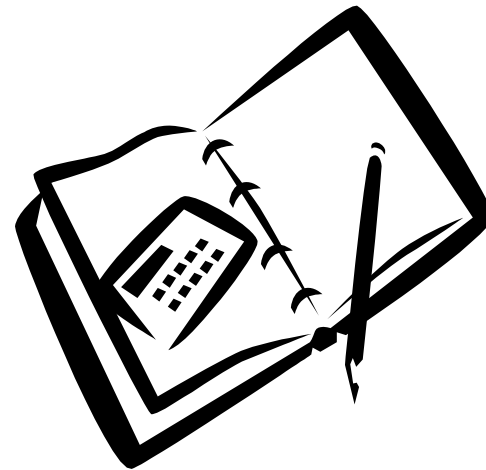


Best Practices for a Successful Monitoring/Audit Review



Conducted by Stacy Mason-Vegna, Program Manager, OHS Administration Division, Monitoring & Audits Unit

OHS Responsibility

As the Grantee of United States Department of Homeland Security Grant Programs, California Governor's Office of Homeland Security is responsible for:

Monitoring Subgrantees to ascertain that all administrative, programmatic, and financial responsibilities are fulfilled and carried out in accordance with federal and state laws, rules and regulations, and the individual grant guides.

All OHS Subgrantees are monitored subject to OMB Circular A-133

Subgrantee Responsibility

As the Subgrantee of OHS Grant Programs, you are responsible for safeguarding OHS assets and to ensure that all funds are accounted for and expended in accordance with the same applicable laws, rules and regulations, and guidances.

This responsibility extends to any subrecipients, consultants/contractors and service provider procured by the Subgrantee.

Monitoring and Audits

To ensure all funds are accounted for, every Subgrantee is required to conduct a Single Fiscal Audit each state fiscal year, submit the report within six months to the State Controllers Office and provide a copy to OHS.

Common Rules & Regulations

United States Department of Justice (USDOD) *Financial Guide*, 2005 <http://www.ojp.usdoj.gov/FinGuide/> For 2006 and beyond: G&T OGO Financial Management Guide

Code of Federal Regulations Title 28 Section 66,67,69 & 70 <http://www.gpoaccess.gov/cfr/index.html>

California State Administrative Manual (SAM). Uniform guide for policies, procedures and regulations for State Agencies, & Local Units of Government (LUGs)
<http://sam.dgs.ca.gov/default.htm>

Individual OHS Grant Guides

Common Rules & Regulations

OMB Circular A-87: Cost Principles for State, Local and Tribal Governments

OMB Circular A-102: Grants and Cooperative Agreements with State and Local Governments

OMB Circular A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations

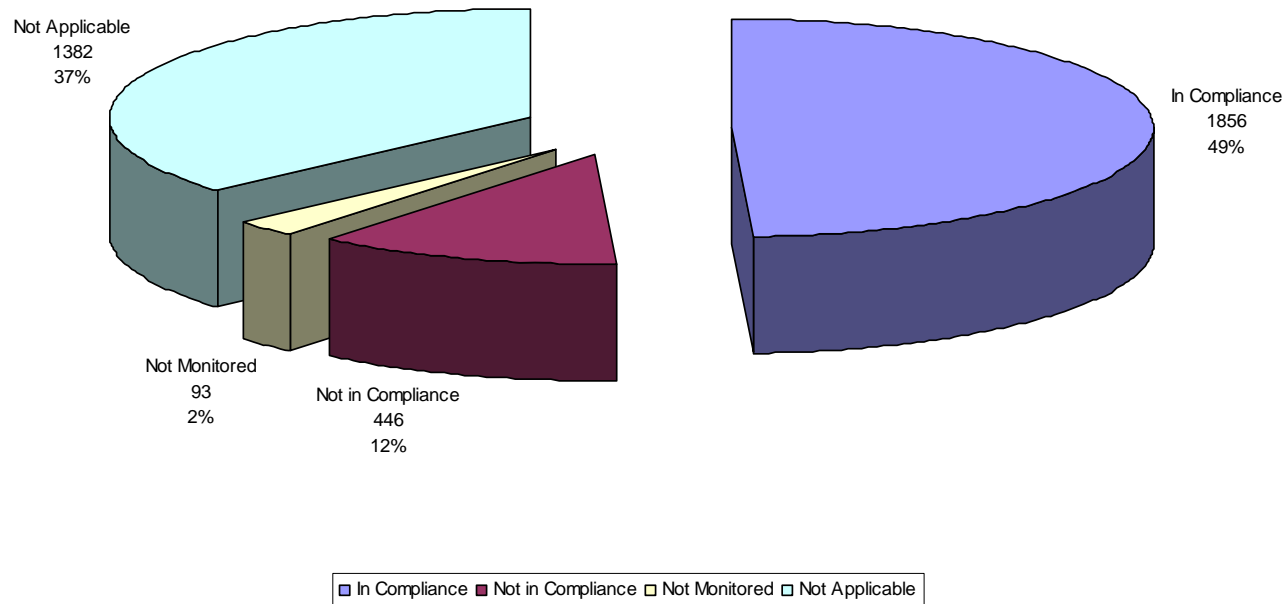
OMB Circular A-122: Cost Principals for Non-Profit Organizations

OMB Circular A-133: Audits of States, Local Governments and Non-Profit Organizations

Circulars can be accessed at: <http://www.whitehouse.gov/omb/circulars>

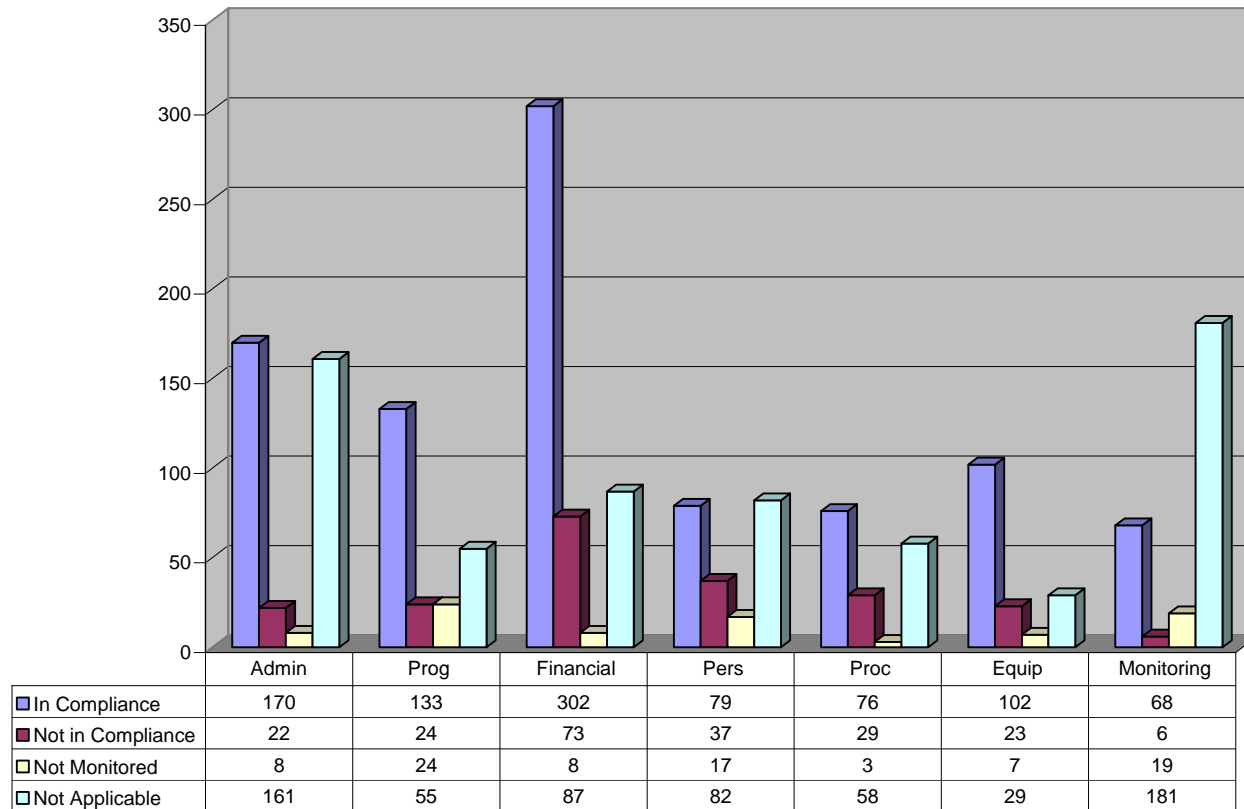
Monitoring Analysis To Date

Summary of 72 Monitoring Reports with 3777 Items Received (Thru 06/30/2007)



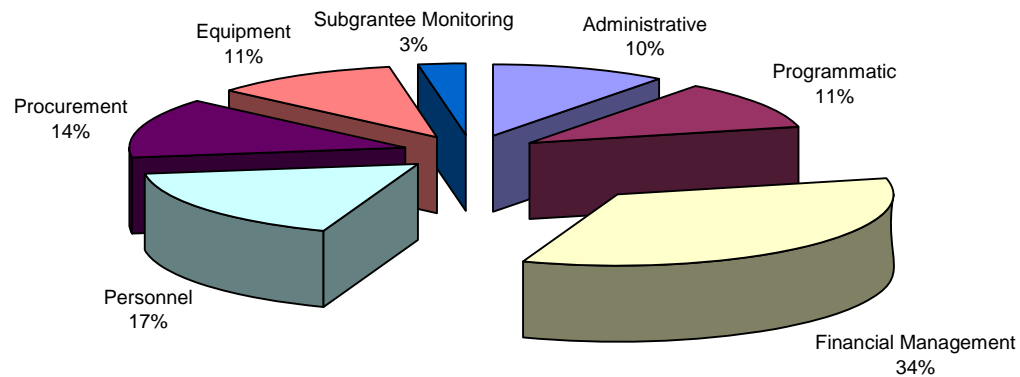
Monitoring Analysis - Cont'd

Summary of Reviews by Activity



Monitoring Analysis - Cont'd

Not in Compliance



■ Administrative ■ Programmatic ■ Financial Management ■ Personnel ■ Procurement ■ Equipment ■ Subgrantee Monitoring

Preparing for Your Monitoring Review

Start preparing for your monitoring review when you receive your grant award.

Source Documentation: Records

- Accounting records should properly record grant revenues and actual expenses paid from grant funds.
- If you have more than one grant, funds must be identified separately.

Financial Records - Fund Source

- Use separate account codes to identify OHS funds from other department/agency funds;
- Use different account codes to separate the OHS funds received and expenditures made; and
- Use separate columns to identify each grant's revenue and line item expenditures.

Expenditure Tracking & Reporting

Agencies must be able to document and show how expenditures are taken from the *Invoice* to the *General Ledger* and then recorded on the OHS Request for Reimbursement form.

Best Practice Example:

Grant #: _____
Grant Source: _____
Budget: _____ Project: _____
Check #: _____ Date Pd: _____

Expenditure Tracking & Reporting - Cont'd

- All expenditures are to be supported by source documentation (i.e. paid invoices, cancelled checks, contracts, timesheets, sign-in sheets, authorized over time/backfill logs, payroll registers, etc.)
- Ensure that actual expenditures claimed are allowable and have prior OHS approval if applicable.
- Periodically reconcile the general ledgers to the reconciliation report/register/reimbursement request.

Expenditure Tracking & Reporting - Con't

- Expenditures claimed for reimbursement should be easily traced to a general ledger.
- Prepare a worksheet that details the individual expenditures being claimed.

Monitor Grant Expenditures

- Monitor expenditures to determine if they are attributable to the request for reimbursement period.
- Monitor expenditures charged to the grant to ensure that costs are allowable per:
 - Individual Grant Guides.
 - Procurement Policy.
- Monitor accounting policies and procedures applicable to OHS grants to ensure that they are properly implemented.

Best Practices

Financial Management:

- ***Placer County***. Kim M. Davis, Account-Auditor, CEO-Finance Unit, OES Placer County: 2986 Richardson Dr., Auburn, CA 95603. Kdavis@placer.ca.gov. (530)886-4623.
- ***San Joaquin County***. Ronald Baldwin, Director, OES San Joaquin County, 222 E. Weber Ave., Rm. 610, Stockton, CA 95202. Rbaldwin@sjgov.org. (209)468-3962.
- ***San Jose UASI***: Kimberly Shunk, Director, OES 855 North San Pedro St., #404, San Jose, CA 95110. kimberly.shunk@sanjose.ca.gov. (408)277-4595.

M & A and Salaries

Salaries of personnel involved in more than one grant/project must be charged to individual grant year based on the actual time spent on each grant and/or project.

Claimed Salaries

- Claimed salaries must be supported by:
 - Functional Timesheet - signed by employee and contains the written approval of the supervisor;
 - Payroll registers;
 - Written job description (grant specific); and
 - Written personnel policies and procedures.

Claimed OT / BF / CTO

- Claimed OT/BF/Compensating Time Off must be supported by:
 - Approved OT/BF/CTO slips;
 - OT cards with signatures of both employee and supervisor;
 - OT: documentation reflecting the basis of the OT and the activities being performed;
 - Payroll Records: hourly rate, hours worked & amount charged;
 - When applicable Sign-in sheets (Training, Exercise & Planning);
 - Backfill: records reflecting who replaced whom and for how much time and money
 - Payroll registers; and
 - Written policies and procedures.

Claimed Fringe Benefits

- Benefits of personnel involved in more than one grant or project must be charged to each grant based on the actual time spent on each grant or project.
- Claimed benefits must be:
 - Allowable, applicable and in accordance with governing rules and regulations.
 - Earned and used during the performance period.
 - Supported by payroll registers.

NOTE:

- OT/BF Fringe Benefits are limited to FICA, Workers' Comp. and Unemployment Compensation.
- CTO must be cashed-out or taken before the end of the performance period.

Best Practices

- Grants Management & Administration:
 - *San Joaquin County*: Ronald Baldwin, Director, OES San Joaquin County, 222 E. Weber Ave., Rm. 610, Stockton, CA 95202. Rbaldwin@sjgov.org. (209)468-3962.
 - *Orange County*: Catherine Zurn, Captain, OCSD, 2644 Santiago Canyon Rd., Silverado, CA 92676. czurn@ocsd.org. (714)628-7194.
 - *San Jose UASI*: Kimberly Shunk, Director, OES 855 North San Pedro St., #404, San Jose, CA 95110. kimberly.shunk@sanjoseca.gov. (408)277-4595
- Functional Timesheets:
 - *Santa Cruz County*: Mike Dever, Emergency Services Administrator, County of Santa Cruz OES, 495 Upper Park Rd., Santa Cruz, CA 95065. Mike.dever@santa-cruz@ca.us. (831)458-7150.

Claimed Consulting Services

- Claimed consulting services costs must be supported by:
 - Written contract specifying:
 - Type of Contract Procured (Note: All Sole Source requires prior approval from OHS);
 - Contract Period;
 - Compensation Rate;
 - Duties or Obligations;
 - Debarment/Exclusion Issues Addressed;
 - Standards of Conduct: Settlement and Satisfaction;
 - Signatures of all Parties; and
 - Paid Invoices.

Program Activities Reviewed

- ❖ **Exercises** - ODP Authorized Exercises!
- ❖ **Training** - ODP Authorized Training!
- ❖ **Planning** - What product was produced:
Assessments, Plans, Strategies, Protocols,
Public Education and Outreach, etc.!

Program Activity - Training

❖ Claimed Training costs must be supported by:

- ODP-Approved Training Courses;
- Qualified Trainers and Eligible Attendees;
- Functional time sheets;
- Job duty statements;
- Payroll registers;
- OT/BF/CTO slips;
- Benefit charges;
- Sign-in sheets;
- Procurement process and contracts;
- Travel claims; and
- Itemized costs charged with supporting invoices.

Program Activity - Exercise

❖ Claimed Exercise costs must be supported by:

- Eligible Exercises listed on ODH Secure Portal;
- After Action Report(s) submitted;
- Functional time sheets;
- Job duty statements;
- Payroll registers;
- OT/BF/CTO slips;
- Benefit charges;
- Sign-in sheets;
- Procurement process and contracts;
- Travel claims; and
- Itemized costs charged with supporting invoices.

Program Activity - Planning

- ❖ Claimed Planning costs must be supported by:
 - Proof of products produced (i.e. proof: mutual aid agreements, assessments, plans, etc.);
 - Functional time sheets;
 - Job duty statement;
 - Payroll registers;
 - OT slips;
 - Benefit charges;
 - Procurement process and contracts
 - Travel claims; and
 - Itemized costs charged with supporting invoices, etc.

Best Practices

Program Activities and Goals and Objectives:

- Overall Governance, Grant Administration (Strategies, Goals and Objectives):
 - *Orange County*: Catherine Zurn, Captain, OCSD, 2644 Santiago Canyon Rd., Silverado, CA 92676. czurn@ocsd.org. (714)628-7194.
 - *Long Beach UASI*: Casey Chel, Disaster Management Officer, DMD Long Beach Fire Department, 2990 Redondo Ave., Long Beach, CA 90806. Casey_chel@longbeach.gov. (562)570-9251.
- Exercise, Training & Planning Activities:
 - *Orange County*: Ditto Above.
 - *San Joaquin County*: Ronald Baldwin, Director, OES San Joaquin County, 222 E. Weber Ave., Rm. 610, Stockton, CA 95202. Rbaldwin@sjgov.org. (209)468-3962.

Equipment & Property Management

- Claimed Equipment must be supported by:
 - Applicability (relationship to objectives/goals);
 - Allowable (AEL or letter from OHS);
 - Prior Approval/Authorization;
 - Procurement process utilized;
 - Invoices; and
 - Inventory Log Sheet detailed by grant year.

Inventory Log Sheet

Property Inventory Records (regardless of \$ threshold) - Must Have:

- Description of property;
- Serial number or other ID;
- Property source/origin;
- Title holder;
- Acquisition date and costs;
- Percentage of federal costs;
- Location of property; and
- Disposition data if applicable.

Property Management Records

Agencies must have a written code of standards/procedures that ensures adequate safeguards and oversight responsibility for OHS purchased equipment which includes but is not limited to:

- Lost or Stolen;
- Destroyed;
- Maintenance records; and
- Final disposition

Best Practices

- Equipment & Property Management:

- *Long Beach UASI*: Casey Chel, Disaster Management Officer, DMD Long Beach Fire Department, 2990 Redondo Ave., Long Beach, Ca 90806. Casey_chel@longbeach.gov. (562)570-9251.
- *San Joaquin County*: Ronald Baldwin, Director, OES San Joaquin County, 222 E. Weber Ave., Rm. 610, Stockton, CA 95202. Rbaldwin@sjgov.org. (209)468-3962.
- *San Jose Fire*: Alan Anderson, Battalion Chief, San Jose Fire, OES 855 North San Pedro St., #404, San Jose, CA 95110. alan.anderson@sanjoseca.gov. (408)277-4595.
- *Orange County*: Catherine Zurn, Captain, OCSD, 2644 Santiago Canyon Rd., Silverado, CA 92676. czurn@ocsd.org. (714)628-7194.

Subgrantee Monitoring & Oversight

Subgrantees are responsible for monitoring any and all subrecipient(s) and/or consultant/contractor that benefits from OHS grant funds. This includes but is not limited to the follow areas of program administration:

- ✓ M & A
- ✓ OT/Backfill
- ✓ Procurement
- ✓ Equipment & Property Management

Best Practices

- Subgrantee Responsibility:
 - *Los Angeles City Office of the Mayor:*
J. Mills Pierre, III., Compliance Director, 200
North Spring St., M175, Los Angeles, CA
90012. john.millspierre@lacity.org.
(213)978-0714.

Being Prepared

- Maintain source documents to support all data/information reported
- Review pre-monitoring information to identify and prepare required documents
- Match up supporting documentation to each report of expenditure reimbursement period

Questions



Stacy Mason-Vegna, Program Manager
Monitoring & Audits Unit
Work: (916) 323-7611
Email: stacy.mason-vegna@ohs.ca.gov